



The New Look of Affordable Housing Blending Into Neighborhoods

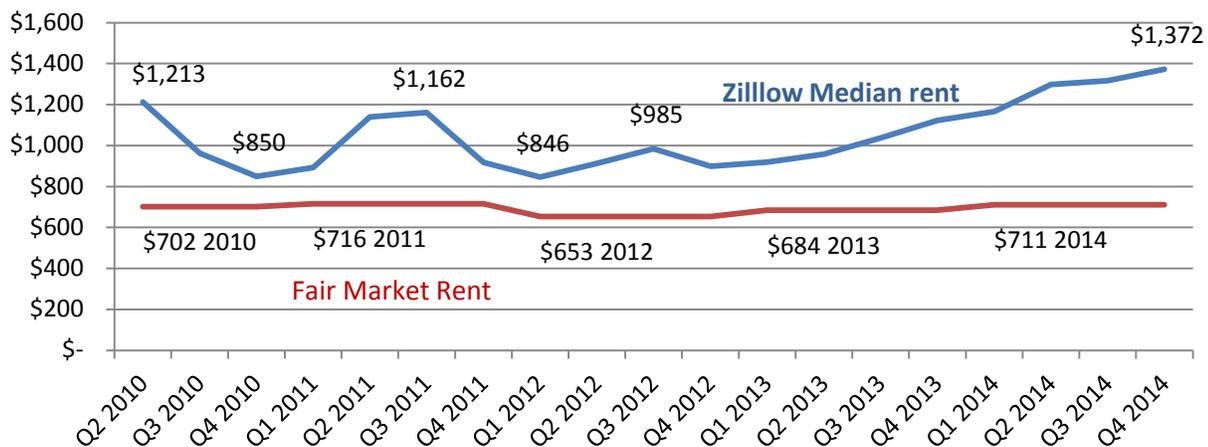
In the 1970s most Americans paid no more than 25% of their household income for housing and related expenses. The portion of income devoted to housing grew larger since then and the Census American Community Survey estimates for 2009-2013 indicate that in the U. S. 35.6% of homeowners with a mortgage pay over 30% of income for housing and 52.3% of renters pay more than 30%. In Davidson County for the same time period the estimates are that 34.3% of homeowners with a mortgage and 41.4% of renters are cost burdened. (American Community Survey 5-year estimates, Table DP04.)

Affordability is now defined as spending no more than 30% for housing expenses. Spending over 30% is considered a cost burden, and households that spend 50% or more are considered severely cost-burdened.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

In recent years, housing costs, especially rents, have increased while wages for middle- and lower-income people have remained stagnant. Chart 1 below compares Davidson County median rents (determined by Zillow) with HUD's published Nashville MSA Fair Market Rent (FMR) showing how much actual median rents exceeded the FMRs. <http://www.zillow.com/corp/About.htm>

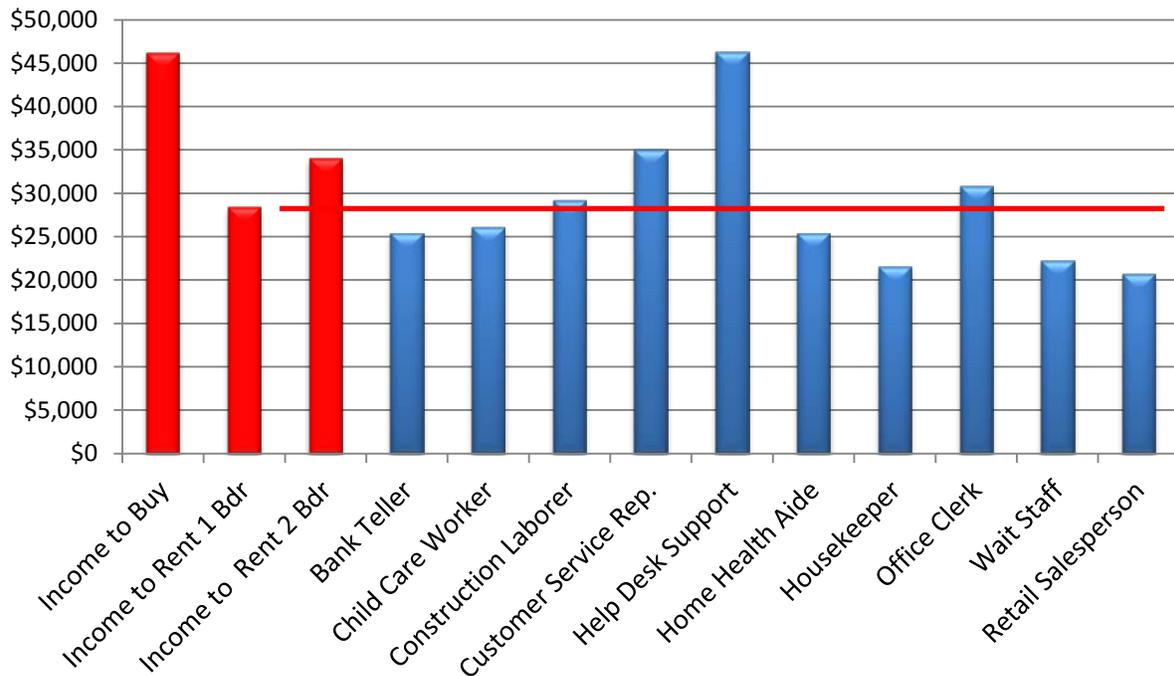
Chart 1: Median Rent vs. FMR – Nashville MSA



<http://www.huduser.org/portal/datasets/fmr.html>

Chart 2 shows the Nashville MSA the median cost of housing compared with median wages of area occupations as published by the National Housing Council. Zillow is a real estate and rental marketplace with a database of more than 110 million homes for sale and rent. Fair Market Rents are determined annually by the U. S. Department of Housing & Urban Development (HUD).

Chart 2: Cost to Buy or Rent vs. Wages – Nashville MSA



Income needed to buy or rent (red) & area wages (blue)

<http://www.nhc.org/chp/p2p/>

During the housing crash in the Great Recession some homeowners turned to renting and housing construction slowed, especially for affordable housing. There wasn't enough housing affordable to low-income and "working poor" residents before the crash, and the problem only got worse.

While effects of the housing crash can be blamed for some shortage of affordable housing, a longer-term cause is the reluctance of residents to allow affordable housing into their neighborhoods. Most Americans still picture affordable housing as "the projects" – large multi-family unattractive buildings.

http://www.huduser.org/portal/casestudies/study_04092012_1.html



However, in recent years improvements in design, materials, and building techniques have improved so affordable housing can be built to blend into most neighborhoods. In addition, research has shown that many of the beliefs about low-income housing, even if true years ago, are no longer valid.

One of the most enduring myths about affordable housing is that it will decrease housing values in a neighborhood. There has been much research about this, and a 2009 policy brief summarizing decades of research was published by the Center for Housing Policy in their Insights Series. The general conclusion is that well-designed, well-built housing of modest size to fit in with existing housing does not lower surrounding home values. The report presents policies that can minimize the negative effects of co-locating affordable housing with others in existing neighborhoods:

- Attractive design that blends with the surrounding neighborhood is almost always beneficial.
- Good management/maintenance – Poorly maintained housing can lower home values in any neighborhood.
- Rehabilitation of run-down housing can revitalize a neighborhood, actually increasing surrounding home values.
- Matching concentration of affordable housing to the neighborhood can help of at least not negatively affect surrounding homes and neighbors. In distressed areas, larger concentration of attractive affordable housing may be good for the area, while in other neighborhoods more moderately sized units may be the best alternative.

<http://www.nhc.org/media/documents/Dontputithere.pdf>

Other research confirms the NHC conclusions about property values, and dispels other commonly believed myths about affordable housing. The web site of Housing Virginia, a statewide partnership of public and private organizations and individuals, cites research disputing what they claim to be the six most common prevailing negative beliefs about affordable housing:



1. Affordable housing is ugly.
2. Affordable housing produces more traffic.
3. Affordable housing increases crime.
4. Affordable housing overburdens schools and infrastructure.
5. Affordable housing lowers property values.
6. Affordable housing is not a community asset.

<http://portal.hud.gov/hudportal/HUD?src=/states/illinois>

Some of the evidence they cite are that 20th century housing projects are being replaced by affordable housing designed to fit the style of neighborhoods, the average resident in a compact neighborhood will drive 20-30% less than those in a neighborhood half as dense, affordable housing being built in inner-city neighborhoods replaces older crime-ridden large public buildings, traditional single-family

homes have 2-3 times the number of school-age children so affordable housing cannot be said to overburden local schools, and finally that academic studies and market analyses prove that affordable housing does not lower housing values.

<http://www.housingvirginia.org/T1.aspx?PID=30>

The web site of Princeton Community Housing lists a number of facts to dispel myths about affordable housing. Research is cited that agrees with the Housing Virginia myth-busting above:

- No negative impact on the price or frequency of surrounding home sales
- Not ugly or cheap-looking
- Unaffordable housing causes families to move frequently and negatively affects children's and schools' performance
- Multi-family affordable housing contributes a "fair share" of local taxes
- Affordable housing does not increase local crime or bring in undesirable residents
- It is not a welfare program for the very poor and benefits seniors, low-wage workers, community professionals such as firefighters, teachers, etc.

<https://www.princetoncommunityhousing.org/content/myths-facts>



One method of providing affordable housing is to include it in a mixed-income development. In a Washington Business Journal article dated November 2014, reporter Daniel Sernovitz describes a mixed-income development in Washington D.C. designed by Sorg Architects and built by nonprofit Community Solutions and residential developer McCormack Baron Salazar.

The John and Jill Ker Conway Residence contains 60 units of permanent supportive housing for homeless veterans and 64 affordable and low-income units. The design of the project attempts to counteract the stigma that affordable multi-unit developments do not fit the look and feel of a neighborhood.

Photo: <http://www.sorgarchitects.com/work/johnandjillkerconwayresidence/>

Among the nationwide effort to spur innovative contemporary design for affordable housing is a program by the U. S. Department of Housing & Urban Development (HUD) partnering with the American Institute of Architects (AIA). This award program is for "excellence in affordable housing

architecture, neighborhood design, participatory design, and accessibility.” Winners of a variety of award categories are given on the AIA web site, with pictures and descriptions of innovative affordable housing.

<http://www.aia.org/practicing/awards/2014/hud-awards/>



Affordable housing in progress in Nashville by Urban Housing Solutions

www.urbanhusingsolutions.org

http://www.bizjournals.com/washington/breaking_ground/2014/11/is-this-the-new-face-of-mixed-income-housing.html?page=all

<http://www.mccormackbaron.com/news-47556/entry/community-news/2014/11/12/hud-secretary-dc-mayor-join-advocates-to-break-ground-on-new-housing-for-homeless-veterans-2>

<http://cmtysolutions.org/vision>

<http://www.mccormackbaron.com/>

